

Position 1

REO PROPERTY CHECKLIST

Ch 15 and 16 HB-1-3550

Former Borrower _____ REO# _____

Foreclosure Sale Date _____ Date Marshall's Deed Recorded _____ (Judicial)

Program () Non-Program () Date of Suitability Determination _____

PLCE Fund Account "L" () "R" ()

- * State office will notify field office of REO Acquisition and complete TASK 605 on FCL WORK
- * Field office will prepare a new case file for REO property HB-1-3550 15.3B (p15-3)
- * The State office will establish the REO Work in FASTeller. REO accounts are "certified" every Saturday at NFC.
Be careful with Invoicing
- * State Office will complete TASK 1 "ACQUIRED" on REO Work. (date of foreclosure sale)

INSPECTING & CLASSIFYING THE PROPERTY - HB-1-3550 para 15.4 (page 15-4)

OCCUPIED PROPERTIES

- a) _____ If the property is occupied, date eviction letter (Notice to Quit) sent. Give former borrower 10 days.
- b) _____ Property inspected, occupants still in property?
- c) _____ Obtain from courthouse forms required for filing a Forcible Entry or Wrongful Detainer (FED) action.
- d) _____ Complete, but do not sign, checking the most appropriate box (generally "72-hour notice - nonpayment of rent).
- e) _____ FAX to the State Office for OGC's review.
- f) _____ Submit to the State Office AD700 for filing fees.
- g) _____ Notification from OGC via State Office to proceed with eviction.
- h) _____ Take the Complaint to the courthouse, sign and file. Attach a copy of the Notice to Quit.
- i) _____ Update REO/info screen "Y" for eviction pending and update task as appropriate.
- j) _____ Notify state office status and continue with REO process.

NON-OCCUPIED PROPERTIES

- a) _____ Secure & clean property, as necessary (locks, winterize, etc)
- b) _____ If property contains personal property, notify owner by Certified Mail and give them a reasonable timeframe (15 days) to remove the personal property. Section 15.5 of HB-1-3550 gives further guidance on disposition of non-security property.

ENTER RESULTS OF INSPECTION IN FASTELLER

- a) _____ Complete "Field Manual Screens" in FASTeller, print out screens & put in file.
- b) _____ Complete "REO MRKTG LIST" Screen in FasTeller. **Enter if property is PROGRAM OR NON-PROGRAM, in the "pop-up" screen.** (Defaults to REO report.)
- c) _____ Document in running case record suitability determination (program v non-program), HB-1-3550, 15.4A.

ENVIRONMENTAL REVIEW HB-1-3550 para 15.7 (page 15-7)

- a) _____ Complete environmental assessment (1940-21 or 1940-22)
- b) _____ Complete/update TSQ ASTM Standard E-1528. If clean-up actions necessary, notify State Environmental Coordinator HB-1-3550. Paragraph 15.7B3
- d) _____ Review for Lead Based Paint HB-1-3550 16.19 (page 16-25)

TAXES & INSURANCE HB-1-3550- para 15.6 (page 15-6)

_____ Notify the taxing authority of RD ownership and pay delinquent real estate taxes.
(In Oregon, Government owned properties are not subject to taxation if the property was acquired as of July 1 of the tax year levied. NOTE: Insurance is not maintained on REO properties.)

SALE OF REO PROPERTIES HB-1-3550 Ch 16

- _____ Submit AD700's to order home inspection and termite & dry-rot inspection.
- _____ Order "As-Is" and "As-Improved" appraisal for properties determined program eligible or order updated "As-Is" appraisal for non-program properties. Provide itemized list of repairs to appraiser for program eligible properties 16.3 A page 16-3).
- _____ Update the "as is" appraised value in the "CUS PROP" screen. This is at the bottom of the screen and the field is called "Curr Appraisal/BPO". DO NOT ADD VENDOR FOR NEW APPRAISAL
- _____ Post Equal Housing Opportunity Poster (Fair Housing Poster) HUD-928.1 in a conspicuous place. FmHA 1901.203 (C)(3)(V)
- _____ Affirmative Fair Housing Marketing Plan, if applicable (more than 5 properties in the market area at one time. (HB-1-3550 16.1 A, page 16-1)

LIST PROPERTY (mark with an X applicable listing) HB-1-3550 para 16.2 p 16-2

- _____ Property marketed by Agency personnel
- _____ Property listed with Exclusive Broker
- _____ Property listed through Open Listing
- _____ Add property to the REO Web Page
- _____ Update the "REO MRKTG LIST" and "pop-up". On page 1 of the REO MRKTG LIST, enter the date the property is listed (must be current date or after) and the amount the property is listed for. Enter on the "pop-up" screen who will be responsible for listing (i.e., exclusive broker, open listing or RD) (Defaults to REO report)
- _____ Form RD 1955-43 "Notice of Real Property for Sale" completed. (HB-1-3550 16.7A p16-13). Post to Area Office bulletin board, provide copies to public, real estate brokers and other interested parties.
- _____ Submit AD-700 to advertise property for sale in local newspaper.
- _____ Property not meeting decent, safe & sanitary (DSS) conditions will be sold with specific occupancy restrictions. Update REO INFO, defaults to "Y" for yes property does meet. HB-1-3550, para 16.6, page 16-9,10,11)
- _____ Complete Task 231 "PROPERTY LISTED" on REO WORK (Defaults to REO MRK LIST and to the REO report.)

PROGRAM PROPERTY HB-1-3550 16.3 B Exhibit 16-1 page 16-4

DATE

- _____ date listed for sale (days 1-60 to program eligible for 100% market value
- _____ days 61-90 available to anyone at 100% market value
- _____ days 91-120 available exclusively to program eligible for 90% market value
- _____ days 121-150 available to anyone for 90% of market value
- _____ days 151-180 available exclusively to program eligible at 80% market
- _____ days 181-210 available to anyone for 80% of market value
- _____ day 211 Submit REO file (through the RDC) with documentation on marketing efforts and recommendation.

_____ Update REO MRK LIST and REO Web Page

NON-PROGRAM PROPERTY HB-1-3550 16.3 B Exhibit 16-2 page 16-5

DATE

- _____ date listed for sale (days 1-60 to anyone for 100% of market value)
- _____ days 61-90 available to anyone for 90% of market value
- _____ days 91-120 available to anyone for 80% of market value
- _____ day 121 Submit REO file (through the RDC) with documentation on marketing efforts and recommendation.
- _____ Update REO MRK LIST and REO Web Page
- _____ Notify non-profit organizations or public bodies for selling/leasing non-program properties

OFFERS HB-1-3550 16.7 B and C

- _____ Offers must be submitted on Form RD 1955-45 "Standard Sales Contract, Sale of Real Property by the United States". Each offer must be date stamped when received. When a property is first offered, all offers received during the first 4 business days after the effective date will be considered as if they were received on the same day. Any offer on a program property other than a program applicant during the 60 day reservation period will be held and considered received on the 61st day. See HB-1-3550 for additional guidance and for accepting offers on non-program properties.
- _____ Update REO MRKTG OFFER and "pop up". **Enter CR for credit sale (NP) or CA for cash sale.**
NOTE: Sales using REO funds are considered cash sales. This field must be completed or money for cash sales will not be applied or credit sales will not be activated.
- _____ Complete TASK 650, "OFFER ACCEPTED TASKS" on REO WORK.
- _____ If program applicant, assist applicant in obtaining bids for repair work, if applicable.
- _____ If property is being sold using REO funds or credit sale, request funding from the State Office
- _____ Request Quitclaim Deed from the State Office
- _____ Complete TASK 601 "LISTING EXPIRED" on REO WORK. If property sold, enter date sale closed.
- _____ Complete TASK 630 "PROPERTY SOLD" on REO WORK (Defaults to REO report)
- _____ Delete property from the REO Web Page database.
- _____ If the property is sold as a credit sale, with a down payment, do NOT activate the credit sale. Submit the the down payment to CSC at USDA/RHS, PO Box 790301, St. Louis, MO 63179. When completing Form 3550-17, "Funds Transmittal", use the REO account number beginning with "9", transmittal code "00" and document "down payment on REO credit sale". New loans will activate the credit sale after down payment funds are posted. When submitting a credit sale loan package to CSC, New Loans, indicate on the upper right corner of Form 3550-19, "Transmittal Closing Documents in bold "Credit Sale:" Submit copy of Form 3550-17, Funds Transmittal for REO down payment along with the new loan package of the Credit Sale.
- _____ Submit sale proceeds on Form 3550-17 "Funds Transmittal Report", including a complete breakdown of: 1) date of credit, 2) Amount property sold for, 3) Down Payment 4) Expenses paid at sale, 5) net proceeds and name & phone number of contact for questions. Submit to CSC at: USDA/RHS, PO Box 790301, St. Louis, MO 63179
- _____ Complete TASK 1101 "PROCEEDS REMITTED" on REO WORK
- _____ Complete TASK 1102, "FINAL EXPENSES PAID" on REO WORK.
- _____ Complete TASK 1104 "FILE CLOSED" on REO WORK

**NOTE: DO NOT CLOSE UNTIL SALE PROCEEDS HAVE BEEN POST BY CSC
VERIFY ALL COST ITEMS CHARGED ON
REO/INF SCREEN & PRINCIPAL BAL**

ON THE CUS/LOA SCREEN IS ZERO